

the next 10 years. Let's give very large tax cuts to people, but the largest tax cuts to the highest income people in America.

Well, I stood on this floor and said: I do not support that. What if we do not have these surpluses for 10 years. These are just economic predictions by economists who cannot remember their phone numbers for 3 days, and they are telling us what is going to happen in 3, 5, and 10 years. Let's be a little bit conservative.

President Bush and his colleagues on the floor of the Senate said: Katey, bar the door. We are pushing this. They did, and they had the votes. They passed it, and all of a sudden we substantially cut the revenue that was coming into the Treasury.

Then what happened almost immediately? Then we were hit with 9/11, a terrorist attack in this country. Then we were at war in Afghanistan. Then we went to war in Iraq, and year after year after year the President brought to this Congress proposals for emergency spending for the war. This President said—I am talking about President George W. Bush—we do not intend to pay for a penny of it. Every single penny for the war is going to be on an emergency basis, put on top of the Federal debt.

I did not hear those folks who now say they are going to stand between us and catastrophe come to the Senate floor then to say that did not make any sense. I did. I said: Why don't we pay for some of this?

The President said: If you try to pay for it, I will veto the bill.

There we were for 8 years spending money we did not have on a war we probably should not have fought, borrowing every single penny of it. Now the folks who speak the loudest these days about these issues are the ones who decided: Oh, that made a lot of sense: cut the government's revenue, fight a war without paying for any of it.

By the way, many of them, 10 years ago when we voted on the floor of this Senate to repeal the restrictions that were put in place after the Great Depression to protect our country, they were the ones who voted for the repeal to say: You know what. Let's let these big financial companies create holding companies, and you can put them all together. You can put real estate and securities and banks and investment banks, FDIC-insured banks, put them all in one big holding company. It will be just fine.

Well, I was on the floor of the Senate saying: This will not be just fine. It will be a catastrophe. I said 10 years ago—I did not know for sure, but I said: Within 10 years we are going to see big taxpayer bailouts if we do this.

Some of the same people on the floor of the Senate back then were saying: Look, let's create these big financial behemoths so we can compete. It will be good.

Then the President, George W. Bush, brought in regulators who boasted they

were willing to be willfully blind for almost a decade: It does not matter what you do, you can do that. We will not watch. They said: There is a new sheriff in town. We are business friendly.

So in all of these agencies where we were supposed to have regulators to make sure the free market worked, regulators who were the referees with a striped shirt to blow the whistle to call the foul when the free market was the victim of a foul, they were not around. They were just in a Rip Van Winkle sleep for nearly a decade.

Meanwhile, Wall Street went out to play, and they created the most unbelievable instruments of deception: credit default swaps, synthetic credit default swaps, CDOs. I mean it is unbelievable. The circumstances that developed, the subprime scandal, the creation of these exotic financial instruments, the development of substantially more lending approved by regulatory agencies—all of this set us up for an unbelievable fall.

Some of the same people who were cheerleading for these very activities are now telling us they are going to protect America. And you know where they are going to make their last stand? Their last stand on these deficit issues is to deal with the poor people by saying: No, you cannot get that unemployment insurance extension.

By the way, unemployment insurance is something that people pay for out of their paychecks. Unemployment insurance is something we pay for out of our paychecks. Extending it during a recession is certainly the thing to do. It is something we have always done. Yet this is the last stand.

What about making the last stand when it comes to bailing out Wall Street? How about making the last stand a couple of weeks from now when we have Wall Street reform on the floor of the Senate, when we have a real fight about trying to do reform that is necessary on Wall Street?

In 2008, the financial firms on Wall Street—I am just talking about the Wall Street firms now—the biggest financial firms lost \$36 billion and paid \$18 billion in bonuses.

I have an MBA. I went to graduate business school. There is nowhere they teach in graduate school that if you go out and lose \$35 or \$36 billion, you ought to expect to be able to pay \$17 or \$18 billion in bonuses to those who helped you do it. Yet that is exactly the kind of carnival that existed in this country at the top of the financial food chain.

So we are going to have a big fight about that in a couple of weeks. How do we plug the holes? How do we solve this problem of Wall Street reform? We are going to have a lot of votes, and it will be interesting to see whether those who now speak the loudest about being able to protect the American taxpayer, standing up on the issue of debt and deficits, whether those are the people who are going to join us in taking the action to try to make sure that cannot

happen again because, when we talk about what has contributed to this country's debt and deficit, the largest contribution by far are the supportive votes of those who were friends of Wall Street, and in the last 10 years have given them every single opportunity to do what they have done—that is, to create a casino-like economy and to have FDIC-insured banks trading on their own proprietary accounts.

They may just as well have had a blackjack table in the lobby. I mean, it is unbelievable. To fuse together inherently risky investment banks with FDIC-insured banks and having both of them, instead of providing the kinds of things banks used to provide—that is, doing lending—and having both of them trading securities on their own proprietary accounts in order to make big fees and big money. It is unbelievable.

The question is, Who will stand up for our economic interests? Spending on someone who is out of work in a deep recession, is that where you want to take your last stand?

Let me help with a couple other suggestions. How about making a last stand in asking people, like one person who made \$3.6 billion in one year, to pay their fair share of taxes to the government. My calculation says that is a \$300 million-a-month paycheck. When that person comes home and the spouse asks, Honey, how are we doing? Every single day he can say: We are doing really well. Ten million we earned today. But even better than that, he can now say: And by the way, we paid one of the lowest income tax rates in America. We get to pay a 15-percent income tax. People who work with their hands for a living can't do that. People who take a shower in the morning and after work can't do that. People who work hard all day pay tax rates far higher than 15 percent. We have some of the biggest income earners paying just a 15-percent tax rate on carried interest.

I say to my friends: If you want to do something about the deficit, join me. Let's get rid of that nonsense.

Or I wish they would have joined me the dozen times I have been here talking about the tax dodges that allow people to avoid paying taxes by creating shams. I have shown pictures of American banks that buy German sewer systems. You can't actually touch them. You wouldn't want to feel them. You can't move them. But American banks buy a sewer system in a German city and then lease it back to the city so the city keeps using the system, and the bank gets to write off a sewer system to reduce its American tax obligation. They want all the benefits of being American, but they don't want the responsibility of paying taxes. I say to somebody who comes to the floor and wants to reduce the Federal budget deficit: How about joining me and getting rid of these things?